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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, August 7, 1998

NOTIFICATION OF

AMVEST OIL & GAS, INC.

CASE NO. PUE980457

To furnish gas service to  
Wise Host, Inc. pursuant  
to § 56-265.4:5 of the Code  
of Virginia

ORDER DOCKETING PROCEEDING  
AND PROVIDING NOTICE

On July 20, 1998, AMVEST Oil & Gas, Inc. ("AOG" or "the Company") notified the State Corporation Commission ("Commission"), pursuant to § 56-265.4:5 of the Code of Virginia of its plans to furnish gas service to Wise Host, Inc. ("Wise Host"). According to its notification documents, AOG is a Virginia corporation engaged in the exploration for and production of natural gas. Wise Host is a Virginia corporation engaged in the operation of a hotel located in Wise, Virginia. The Company subsequently filed an amendment dated August 4, 1998 to its notification documents.

AMVEST advises in its notification that it plans to produce and sell natural gas to Wise Host to be used by Wise Host at its hotel to operate clothes dryers, hot water heaters and swimming

pool heaters as well as to provide natural gas as a substitute for any other fuel requirements which could be provided to Wise Host by propane. AOG has agreed to supply Wise Host daily volumes of natural gas equal to Wise Host's total requirements thereof but not more than 25 decatherms daily. According to AOG, such gas will be used by Wise Host exclusively for its own consumption at Wise Host's facilities at the site indicated on Exhibit A.

AOG represents that Wise Host has agreed to pay it a price per MMBtu of gas equivalent to the scheduled rate, corrected to an equivalent MMBtu basis, charged by United Cities Gas Company, in Bristol, Virginia, to customers of a size similar to Wise Host (which scheduled rate shall be Schedule 620 or 630, depending on quantity) less fifty cents per MMBtu. The initial price for gas is expected to be approximately \$3.50 per mcf.

The location of AOG's and Wise Host's facilities are shown on a map labeled Exhibit A attached hereto. In order to provide service to Wise Host, AOG plans to construct one (1) sales meter which will be located adjacent to the Show-Dine Wise Corporation meter. It represents that if required, the meter will be covered by AOG's gathering pipeline permits to be issued by the Virginia Department of Mines, Minerals and Energy.

A legal description of the facilities to be installed to serve Wise Host, Inc. follows:

The meter will be located adjacent to the meter presently used by AMVEST Oil & Gas, Inc., to provide gas to Show-Dine Wise Corporation; said existing meter being on the inside of the western right-of-way of Woodland Drive approximately 2,400 feet south of the point of connection of Glamorgan Coal Corporation property and the eastern right-of-way of U.S. Route 23.

AOG has certified that to the best of its knowledge, there is no public utility certificated to provide gas service in the area depicted in Exhibit A, and that the proposed transaction constitutes an exempt sale of natural gas under § 56-265.1(b)(4), which provides for the furnishing of gas service to commercial and industrial customers in an area not certificated for public utility gas services. The notification further advises that gas service is expected to commence immediately upon a determination by the Commission that the facilities are located in a territory for which no certificate of public convenience and necessity has been granted to supply natural gas service.

On July 27, 1998, the Staff of the State Corporation Commission filed a memorandum advising that Wise Host's facilities are not located within a territory for which a certificate of public convenience and necessity has been granted and that, as of the time of receipt of AOG's notification, Wise Host's facilities were not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

NOW THE COMMISSION, upon consideration of the captioned notification, the applicable statutes, and having been advised by its Staff, is of the opinion and finds that this matter should be docketed; that Wise Host's facilities are not located within a territory for which a certificate has been granted, or, as of the time of the Commission's receipt of the notice provided for by § 56-265.4:5 of the Code of Virginia, are not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution since as of January 1, 1992; that a copy of the captioned notification should be made available for public inspection in the Commission's Document Control Center during regular business hours; that, consistent with § 56-265.4:5 of the Code of Virginia, this Order should service as notification to all public utilities providing gas service in the Commonwealth; and that within sixty days of the entry of this Order, any public utility so notified may file an application to provide natural gas service to the area identified in Exhibit A hereto.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE980457.

(2) A copy of the captioned notification shall be made available for public inspection in the Commission's Document Control Center, located on the first floor of the Tyler

Building, 1300 East Main Street, Richmond, Virginia 23219,  
during the hours of 8:15 a.m. to 5:00 p.m., Monday through  
Friday.

(3) A copy of this Order shall be served upon all public  
utilities providing natural gas service in the Commonwealth.

(4) Within sixty days of the entry of this Order, any gas  
public utility served with this Order may file an application  
with the State Corporation Commission to provide natural gas  
service within the area identified in Exhibit A hereto.

(5) This matter shall be continued until further Order of  
the Commission.